



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 30, 2001

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 8746

Mr. David Penney
P.O. Box 312
Beaver, Utah 84713

Re: Mine Status Information Request, David Penney, Lucin Variscite Mine, S/003/034, Box Elder County, Utah

Dear Mr. Penney:

We have received notification from the Bureau of Land Management (BLM) that your land use permit for the Lucin Variscite Mine expired on April 30, 1998. It is our understanding that you have also lost the railroad lease for the minerals that was tied to this project area. From the information we have received, it has now been over two years since you have operated the Lucin Variscite mine. According to the requirements under Section 40-8-21(2) UCA of the Utah Mined Land Reclamation Act and Minerals Rule R647-3-112.3, an operator of a mining operations that remains in a state of suspension in excess of two years must perform the following:

Notify the Division of such suspension and furnish the Division with such data as it may require in order to evaluate the status of the mining operation, performance under the reclamation plan and probable future status of the mineral deposit and condition of the land affected.

You are hereby directed to provide such written notice to the Division by April 30, 2001. Your notice should also answer the following questions:

1. Your future plans for this project. (Are you finished mining in this area? If so, when will reclamation take place?)
2. Will you renew your leases, and if so, when will this take place?
3. If you will be mining this site at a future date, what interim measures will be employed to protect the public from any existing safety concerns until mining resumes (i.e., open pits, highwalls and/or overhangs)?

Please note, if you do not contact our office by the April 30th deadline, we will assume you have no further interest in mining this project area and that you are prepared to begin reclamation of the mining related disturbances.

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Continued operations without the legal right to do so, may also be considered a violation of state Mining law and your permit, as well as place you in a trespass or theft situation. Accordingly, if you cannot demonstrate (in writing) that you have the legal right to mine this project area, you may be required to initiate appropriate reclamation of the disturbed areas according to the timeframes established by the Division and the BLM.

If you feel you cannot meet the April 30th deadline, please contact me at (801) 538-5286, or Lynn Kunzler at (801) 538-5310, as soon as possible. Thank you in advance for your cooperation and timely attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Grace Jensen, BLM, UTU-73106
Mary Ann Wright, OGM
S03-34-reclaim.doc